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7 **UNITED STATES DISTRICT COURT**
 8 **NORTHERN DISTRICT OF CALIFORNIA**

9 Don Gallardo, Derivatively on Behalf of Nominal
 10 Defendant INTUIT INC.,

11 Plaintiff,

12 v.

13 STEPHEN M. BENNETT, GREGORY J.
 14 SANTORA, SCOTT D. COOK, RAYMOND J.
 15 STERN, RICHARD W. IHRIE, LORRIE M.
 16 NORRINGTON, ROBERT B. HENSKE,
 17 JAMES J. HEEGER, ERIC C.W. DUNN,
 18 CHRISTOPHER W. BRODY, MICHAEL R.
 19 HALLMAN, DONNA DUBINSKY,
 20 WILLIAM V. CAMPBELL, L. JOHN
 21 DOERR and DENNIS POWELL,

22 Defendants,

23 and

24 INTUIT INC.

25 Nominal Defendant.

Case No.

C-06

06

3864

PVT

**SHAREHOLDER DERIVATIVE
COMPLAINT**

JURY TRIAL DEMANDED

26 Plaintiff, by his attorneys, submits this Derivative Complaint (the "Complaint") against
 27 the defendants named herein.

NATURE AND SUMMARY OF THE ACTION

28 1. This is a shareholder's derivative action brought for the benefit of nominal

1 defendant Intuit Inc. ("Intuit" or the "Company") against certain members of its Board of
2 Directors (the "Board") and certain of its executive officers seeking to remedy defendants'
3 breaches of fiduciary duties, unjust enrichment, statutory violations, and other violations of law.

4 2. In gross breach of their fiduciary duties as officers and/or directors of Intuit, the
5 Individual Defendants (as defined herein) colluded with one another to:

6 a. improperly backdate dozens of grants of Intuit stock options to Intuit
7 President and Chief Executive Officer Stephen M. Bennett ("Bennett") and several other Intuit
8 executives, in violation of the Company's shareholder-approved stock option plans;

9 b. improperly record and account for the backdated stock options, in
10 violation of Generally Accepted Accounting Principles;

11 c. improperly take tax deductions based on the backdated stock options, in
12 violation of Section 162(m) of the Tax Code;

13 d. produce and disseminate to Intuit shareholders and the market false
14 financial statements and other SEC filings that improperly recorded and accounted for the
15 backdated option grants and concealed the improper backdating of stock options.

16 3. As a result of the Individual Defendants' egregious misconduct, Intuit has
17 sustained millions of dollars in damages, and Bennett and the other recipients of the backdated
18 stock options have garnered millions of dollars in unlawful profits.

19 **JURISDICTION AND VENUE**

20 4. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 in that
21 this Complaint states a federal question. This Court has supplemental jurisdiction over the state
22 law claims asserted herein pursuant to 28 U.S.C. § 1367(a). This action is not a collusive one to
23 confer jurisdiction on a court of the United States which it would not otherwise have.

24 5. Venue is proper in this district because a substantial portion of the transactions
25 and wrongs complained of herein, including the defendants' primary participation in the wrongful
26 acts detailed herein, occurred in this district. One or more of the defendants either resides in or

1 maintains executive offices in this district, and defendants have received substantial
2 compensation in this district by engaging in numerous activities and conducting business here,
3 which had an effect in this district.

4 **PARTIES**

5 6. Plaintiff, Don Gallardo, a citizen of the State of California, is, and was at all
6 relevant times, a shareholder of nominal defendant Intuit.

7 7. Nominal defendant Intuit is a Delaware corporation with its principal executive
8 offices located at 2700 Coast Avenue, Mountain View, California 94043. According to its public
9 filings, Intuit is a leading provider of business and financial management solutions for small- and
10 mid-sized businesses, consumers and accounting professionals.

11 8. Defendant Bennett has served as the Company's President and Chief Executive
12 Officer and as a director since January 2000. Upon information and belief, Bennett is a citizen of
13 the State of California.

14 9. Defendant Gregory J. Santora ("Santora") served as the Company's Chief
15 Financial Officer and Senior Vice President from 1997 to December 2002. Upon information
16 and belief, Santora is a citizen of the State of California.

17 10. Defendant Scott D. Cook ("Cook"), a founder of Intuit, has served as a director of
18 Intuit since March 1984 and has served as Chairman of the Executive Committee of the Board
19 since August 1998. Cook also served as Intuit's Chairman of the Board from March 1993
20 through July 1998. From March 1984 to April 1994, Cook also served as President and Chief
21 Executive Officer of Intuit. Upon information and belief, Cook is a citizen of the State of
22 California.

23 11. Defendant Raymond J. Stern ("Stern") served as the Company's Senior Vice
24 President, Strategy and CMO from 2004 to 2005, and had been employed in various capacities in
25 the Company since 1998. Upon information and belief, Stern is a citizen of the State of
26 California.

1 12. Defendant Richard W. Ihrie ("Ihrie") has served as the Company's Senior Vice
2 President and Chief Technology Officer since November 2000. Upon information and belief,
3 Ihrie is a citizen of the State of California.

4 13. Defendant Lorrie M. Norrington ("Norrington") served as the Company's
5 Executive Vice President, Office of the CEO from January 2002 to June 2005, and as Senior
6 Vice President of Intuit's small business division from August 2001 January 2002. Upon
7 information and belief, Norrington is a citizen of the State of California.

8 14. Defendant Robert B. Henske ("Henske") has served as the Company's Chief
9 Financial Officer and Senior Vice President since January 2003. Upon information and belief,
10 Henske is a citizen of the State of California.

11 15. Defendant James J. Heeger ("Heeger") served as the Company's Senior Vice
12 President and General Manager of the Company's Small Business Division from July 1997 to
13 June 2000. Heeger also served as Chief Financial Officer and Senior Vice President of
14 Administration from April 1995 to July 1997, and as Vice President and General Manager of
15 Supplies Division from December 1993 to April 1995. Upon information and belief, Heeger is a
16 citizen of the State of California.

17 16. Defendant Eric C.W. Dunn ("Dunn") served in various capacities with the
18 Company from 1986 to 2000, including Chief Financial Officer and Senior Vice President and
19 Chief Technology Officer. Upon information and belief, Dunn is a citizen of the State of
20 California.

21 17. Collectively, defendants Bennett, Santora, Cook, Stern, Ihrie, Norrington, Heeger,
22 Dunn, and Henske are referred to herein as the "Officer Defendants."

23 18. Defendant Christopher W. Brody ("Brody") has served as a director of Intuit since
24 1993. Brody has also served and as a member of the Compensation Committee of the Board (the
25 "Compensation Committee") since December 2000 and as a member of the Audit Committee of
26 the Board (the "Audit Committee") since at least 1996. Upon information and belief, Brody is a
27

1 citizen of the State of California.

2 19. Defendant Michael R. Hallman ("Hallman") has served as a director of Intuit
3 since 1993. Hallman has also served as a member of the Compensation Committee since at least
4 1996, and as a member of the Audit Committee since August 2000. Upon information and
5 belief, Hallman is a citizen of the State of California.

6 20. Defendant William V. Campbell ("Campbell") has served as a director of Intuit
7 since 1994, and as Chairman of the Board since August 1998. Campbell also served in a
8 non-voting advisor capacity on the Compensation Committee from August 1998 to July 2002.
9 Campbell also served as the Company's Acting Chief Executive Officer from September 1999
10 until January 2000, and as the Company's President and Chief Executive Officer from April 1994
11 through July 1998. Upon information and belief, Campbell is a citizen of the State of California.

12 21. Defendant L. John Doerr ("Doerr") has served as a director of Intuit since August
13 1990. Doerr also served as a member of the Compensation Committee from April 1996 through
14 July 1998, and from September 1998 through January 1999. Upon information and belief, Doerr
15 is a citizen of State of California.

16 22. Collectively, defendants Brody, Hallman, Campbell, and Doerr are referred to
17 herein as the "Compensation Committee Defendants."

18 23. Defendant Donna Dubinsky ("Dubinsky") has served as a director of Intuit since
19 1999. Dubinsky has also served as a member of the Audit Committee since August 2000. Upon
20 information and belief, Dubinsky is a citizen of the State of California.

21 24. Defendant Dennis Powell ("Powell") has served as a director of Intuit and as
22 Chairman of the Audit Committee since 2004. Upon information and belief, Powell is a citizen
23 of the State of California.

24 25. Collectively, defendants Brody, Dubinsky, Hallman, and Powell are referred to
25 herein as the "Audit Committee Defendants."

26 26. Collectively, the Officer Defendants, Compensation Committee Defendants, and
27

Audit Committee Defendants are referred to herein as the "Individual Defendants."

DUTIES OF THE INDIVIDUAL DEFENDANTS

27. By reason of their positions as officers and/or directors of the Company and because of their ability to control the business and corporate affairs of the Company, the Individual Defendants owed the Company and its shareholders the fiduciary obligations of good faith, trust, loyalty, and due care, and were and are required to use their utmost ability to control and manage the Company in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of the Company and its shareholders so as to benefit all shareholders equally and not in furtherance of their personal interest or benefit. Each director and officer of the Company owes to the Company and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the affairs of the Company and in the use and preservation of its property and assets, and the highest obligations of fair dealing.

28. The Individual Defendants, because of their positions of control and authority as directors and/or officers of the Company, were able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein.

29. To discharge their duties, the officers and directors of the Company were required to exercise reasonable and prudent supervision over the management, policies, practices and controls of the Company. By virtue of such duties, the officers and directors of the Company were required to, among other things:

a. exercise good faith in ensuring that the affairs of the Company were conducted in an efficient, business-like manner so as to make it possible to provide the highest quality performance of their business;

b. exercise good faith in ensuring that the Company was operated in a diligent, honest and prudent manner and complied with all applicable federal and state laws, rules, regulations and requirements, including acting only within the scope of its legal authority;

c. exercise good faith in supervising the preparation, filing and/or dissemination of financial statements, press releases, audits, reports or other information required by law, and in examining and evaluating any reports or examinations, audits, or other financial information concerning the financial condition of the Company; and

d. exercise good faith in ensuring that the Company's financial statements were prepared in accordance with Generally Accepted Accounting Principles ("GAAP"); and

e. refrain from unduly benefiting themselves and other Company insiders at the expense of the Company.

30. The Individual Defendants were responsible for maintaining and establishing adequate internal accounting controls for the Company and to ensure that the Company's financial statements were based on accurate financial information. According to GAAP, to accomplish the objectives of accurately recording, processing, summarizing, and reporting financial data, a corporation must establish an internal accounting control structure. Among other things, the Individual Defendants were required to:

(1) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and

(2) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that -

(a) transactions are executed in accordance with management's general or specific authorization;

(b) transactions are recorded as necessary to permit preparation of financial statements in conformity with [GAAP].

31. Intuit's Audit Committee Charter provides that the Audit Committee shall be responsible for, among other things,

a. Reviewing, prior to releasing to the public, the type of financial information, and the presentation of that information, to be included in the Company's annual

1 earnings releases, as well as the annual financial statements to be included in the Company's
2 Form 10-Ks. This review shall include a discussion of the matters required to be addressed by
3 SAS 61, including (1) discussions with management and the independent auditors concerning
4 any significant issues regarding accounting principles, practices and judgments (including any
5 changes in accounting principles), and (2) discussions with the independent auditors' concerning
6 their judgments about the quality and appropriateness of the Company's accounting principles as
7 applied in its financial reporting;

8 b. Performing similar reviews with respect to the Company's Form 10-Qs and
9 quarterly earnings press releases;

10 c. In connection with the Committee's review of the quarterly and annual
11 financial statements, discussing with management and the independent auditors the Company's
12 selection, application and disclosure of critical accounting policies, any significant changes in the
13 Company's accounting policies and any proposed changes in accounting or financial reporting
14 that may have a significant impact on the Company;

15 d. In connection with the Company's review of the annual financial
16 statements, obtaining and reviewing a report from the independent auditors addressing: (1) all
17 critical accounting policies and practices used, (2) all alternative treatments of financial
18 information within generally accepted accounting principles that have been discussed with
19 management, the ramifications of each alternative and the treatment preferred by the independent
20 auditors, and (3) other material communications between the independent auditors and
21 management, such as any management letter or schedule of unadjusted differences; and

22 e. Recommending to the Board whether the annual financial statements
23 should be included in the Annual Report on Form 10-K, based on (1) the Committee's review and
24 discussion with management of the annual financial statements, (2) the Committee's discussion
25 with the independent auditors of the matters required to be discussed by SAS 61, and (3) the
26 Committee's review and discussion with the independent auditors of the independent auditors'

independence and the written disclosures and letter from the independent auditors required by Independence Standards Board Standard No. 1.

FACTUAL ALLEGATIONS

Stock Option Grants to the Officer Defendants

32. At all times relevant hereto the Compensation Committee determined the salaries, incentive compensation, and stock option awards for executive officers of Intuit and administered the Company's stock option plans.

33. From 1997 to 2004, the Compensation Committee granted certain Intuit stock options to the Officer Defendants, as follows:¹

<u>Officer</u>	<u>Purported Date of Grant</u>	<u>Exercise Price</u>	<u>Number of Options</u>
Bennett	1/24/00	\$67.56	800,000
	2/9/01	\$34.0625	500,000
	9/25/02	\$44.32	225,000
	7/30/04	\$37.44	225,000
Santora	5/18/00	\$26.125	100,000
	8/1/00	\$35.00	40,000
	4/24/01	\$29.38	40,000
Cook	8/1/00	\$35.00	100,000
Stern	8/1/00	\$35.00	40,000
	4/24/01	\$29.38	50,000
	9/25/02	\$44.32	37,500
	7/30/03	\$42.27	50,000
	7/29/04	\$37.44	60,000
Ihrie	11/27/00	\$47.6875	100,000
	4/24/01	\$29.38	50,000
	9/25/02	\$44.32	37,500
	7/30/03	\$42.27	50,000
Norrington	9/25/02	\$44.32	50,000
	7/30/03	\$42.27	100,000
	12/17/03	\$51.81	150,000

¹ Exercise prices and numbers of options are not adjusted for the Company's 3-for-1 stock split effective September 30, 1999.

Henske	1/26/04	\$48.26	45,000
	7/29/04	\$37.44	25,000
Heeger	6/30/97	\$22.94	50,000
Dunn	6/30/97	\$22.94	50,000

34. Pursuant to the terms of the Company's shareholder-approved stock option plans, the exercise price of options must be no less than the closing price of Intuit stock on the date of grant.

35. Pursuant to APB 25, the applicable GAAP provision at the time of the foregoing stock option grants, if the market price on the date of grant exceeds the exercise price of the options, the company must recognize the difference as an expense.

36. Pursuant to Section 162(m) of the Tax Code, 26 U.S.C. § 162(m) ("Section 162(m)"), compensation in excess of \$1 million per year, including gains on stock options, paid to a corporation's five most highly-compensated officers is tax deductible only if: (i) the compensation is payable solely on account of the attainment of one or more performance goals; (ii) the performance goals are determined by a compensation committee comprised solely of two or more outside directors, (iii) the material terms under which the compensation is to be paid, including the performance goals, are disclosed to shareholders and approved by a majority of the vote in a separate shareholder vote before the payment of the compensation, and (iv) before any payment of such compensation, the compensation committee certifies that the performance goals and any other material terms were in fact satisfied.

37. In a striking pattern that could not have been the result of chance, each and every one of the foregoing stock option grants was dated just after a sharp drop and just before a substantial rise in Intuit's stock price, as demonstrated in the following chart:

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Summary of Option Grants and Surrounding Stock Price Performance

<u>Purported Date of Grant</u>	<u>Exercise Price</u>	<u>Stock Price 15 Trading Days Before Grant</u>	<u>Stock Price 15 Trading Days After Grant</u>	<u>% Rise in Stock Price After Grant</u>
6/30/97	\$22.94	\$25.00	\$25.00	9.0%
1/24/00	\$67.56	\$85.12	\$69.00	2.1%
5/18/00	\$26.125	\$32.06	\$42.62	63.1%
8/1/00	\$35.00	\$41.06	\$47.62	36.0%
11/27/00	\$47.6875	\$55.56	\$50.94	6.8%
2/9/01	\$34.0625	\$36.12	\$45.12	32.5%
4/24/01	\$29.38	\$29.74	\$34.04	15.9%
9/25/02	\$44.32	\$48.09	\$45.07	1.7%
7/30/03	\$42.27	\$43.21	\$44.58	5.5%
12/17/03	\$51.81	\$49.75	\$52.28	0.9%
1/26/04	\$48.26	\$49.02	\$49.36	2.3%
7/29/04	\$37.44	\$36.91	\$38.65	3.2%
7/30/04	\$37.44	\$35.86	\$38.65	3.2%

38. The reason for the extraordinary pattern set forth in the preceding paragraph is that the purported grant dates set forth therein were not the actual dates on which the stock option grants were made. Rather, at the behest of the Officer Defendants, the Committee Defendants improperly backdated the stock option grants to make it appear as though the grants were made on dates when the market price of Intuit stock was lower than the market price on the actual grant dates. This improper backdating, which violated the terms of the Company's shareholder-approved stock option plans, resulted in option grants with lower exercise prices, which improperly increased the value of the options to the Officer Defendants and improperly reduced the amounts the Officer Defendants had to pay the Company upon exercise of the options.

Dissemination of False Financial Statements

39. As a result of the improper backdating of stock options, the Company, with the knowledge, approval, and participation of each of the Individual Defendants,

a. violated the terms of the Company's shareholder-approved stock option plans;

b. violated GAAP by failing to recognize compensation expenses incurred when the improperly backdated options were granted;

c. violated Section 162(m) by taking tax deductions based on stock option grants that were not payable solely on account of the attainment of one or more performance goals and violated the terms of the Company's shareholder-approved stock option plans; and

d. produced and disseminated to Intuit shareholders and the market false financial statements that improperly recorded and accounted for the backdated option grants.

40. The Company, with the knowledge, approval, and participation of each of the Individual Defendants, disseminated its false financial statements in, inter alia, the following Form 10-K filings:

a. Form 10-K for the year ended July 31, 1997, filed with the SEC on October 15, 1997 and signed by defendants Campbell, Santora, Cook, Brody, Doerr, and Hallman;

b. Form 10-K for year ended July 31, 2000, filed with the SEC on October 13, 2000 and signed by defendants Santora, Bennett, Brody, Campbell, Cook, Dubinsky, and Hallman;

c. Form 10-K for year ended July 31, 2001, filed with the SEC on October 5, 2001 and signed by defendants Santora, Bennett, Brody, Campbell, Cook, Dubinsky, Doerr, and Hallman;

d. Form 10-K for year ended July 31, 2002, filed with the SEC on September 25, 2002 and signed by defendants Santora, Bennett, Brody, Campbell, Cook,

1 Dubinsky, Doerr, and Hallman;

2 e. Form 10-K for year ended July 31, 2003, filed with the SEC on
3 September 19, 2003 and signed by defendants Bennett, Henske, Brody, Campbell, Cook,
4 Dubinsky, Doerr, and Hallman; and

5 f. Form 10-K for year ended July 31, 2004, filed with the SEC on
6 September 24, 2004 and signed by defendants Bennett, Henske, Brody, Campbell, Cook,
7 Dubinsky, Doerr, Hallman, and Powell.

8 41. Furthermore, from 1997 to 2004, the Company, with the knowledge, approval,
9 and participation of each of the Individual Defendants, for the purpose and with the effect of
10 concealing the improper option backdating:

11 a. disseminated to shareholders and filed with the SEC annual proxy statements that
12 falsely reported the dates of stock option grants to the Officer Defendants; and

13 b. filed with the SEC Form 4 filings that falsely reported the dates of stock
14 option grants to the Officer Defendants.

15 42. On June 9, 2006, Intuit filed its quarterly report with the Securities and Exchange
16 Commission on Form 10-Q for the quarter ended April 30, 2006. Therein, the Company stated:

17 *Review of Option Grant Activities*

18 In light of recent reports in the media of public company stock option practices,
19 including a report from the Center for Financial Research and Analysis, Intuit has
20 begun a voluntary review of our historical stock option grant activities and related
21 accounting treatment. Our board of directors has formed a special committee of
22 independent directors to conduct this internal review with the assistance of
23 independent legal counsel and independent accounting support, and the review is
24 underway and ongoing. In addition, subsequent to our initiation of this review, we
25 received a letter from the Securities and Exchange Commission regarding an
26 informal inquiry, and we have informed the SEC staff of the status of our review.
27 We believe that the financial statements included in this report on Form 10-Q
28 fairly present in all material respects the financial condition, results of operations
and cash flows of Intuit for the periods presented. However, additional facts may
come to light once the review is complete, and there can be no assurance that we
will not determine that we need to change our accounting treatment of stock
options granted in prior periods, which may have a material adverse effect on our
results of operations for those periods or other periods.

THE INDIVIDUAL DEFENDANTS' BREACHES OF FIDUCIARY DUTIES

43. The Officer Defendants breached their fiduciary duties by:

- a. colluding with the Compensation Committee Defendants to backdate stock option grants;
- b. colluding with the Audit Committee Defendants to violate GAAP and Section 162(m);
- c. colluding with the other Individual Defendants to produce and disseminate to Intuit shareholders and the market false financial statements that improperly recorded and accounted for the backdated option grants and concealed the improper backdating of stock options; and
- d. colluding with the other Individual Defendants to file false proxy statements and false Form 4 filings in order to conceal the improper backdating of stock options.

44. The Officer Defendants' foregoing misconduct was not, and could not have been, an exercise of good faith business judgment. Rather, it was intended to, and did, unduly benefit the Officer Defendants at the expense of the Company.

45. The Compensation Committee Defendants breached their fiduciary duties by:

- a. colluding with the Officer Defendants to backdate stock option grants;
- b. colluding with the Officer Defendants and Audit Committee Defendants to violate GAAP and Section 162(m);
- c. colluding with the other Individual Defendants to produce and disseminate to Intuit shareholders and the market false financial statements that improperly recorded and accounted for the backdated option grants and concealed the improper backdating of stock options; and
- d. colluding with the other Individual Defendants to file false proxy statements and false Form 4 filings in order to conceal the improper backdating of stock options.

1 46. The Compensation Committee Defendants' foregoing misconduct was not, and
2 could not have been, an exercise of good faith business judgment. Rather, it was intended to, and
3 did, unduly benefit the Officer Defendants at the expense of the Company.

4 47. The Compensation Committee Defendants breached their fiduciary duties by:
5 a. colluding with the Officer Defendants to violate GAAP and Section
6 162(m);
7 b colluding with the other Individual Defendants to produce and disseminate
8 to Intuit shareholders and the market false financial statements that improperly recorded and
9 accounted for the backdated option grants and concealed the improper backdating of stock
10 options; and

11 c. colluding with the other Individual Defendants to file false proxy
12 statements and false Form 4 filings in order to conceal the improper backdating of stock options.

13 48. The Audit Committee Defendants' foregoing misconduct was not, and could not
14 have been, an exercise of good faith business judgment. Rather, it was intended to, and did,
15 unduly benefit the Officer Defendants at the expense of the Company.

16 49. As a direct and proximate result of the Individual Defendants' foregoing breaches
17 of fiduciary duties, the Company has sustained millions of dollars in damages, including, but not
18 limited to, the additional compensation expenses and tax liabilities the Company was required to
19 incur and loss of funds paid to the Company upon exercise of options.

20 **DERIVATIVE AND DEMAND EXCUSED ALLEGATIONS**

21 50. Plaintiff brings this action derivatively in the right and for the benefit of the
22 Company to redress defendants' breaches of fiduciary duties and unjust enrichment.

23 51. Plaintiff is an owner of Intuit common stock and was an owner of Intuit common
24 stock at all times relevant hereto.

25 52. Plaintiff will adequately and fairly represent the interests of the Company and its
26 shareholders in enforcing and prosecuting its rights.

1 53. As a result of the facts set forth herein, plaintiff has not made any demand on the
2 Intuit Board of Directors to institute this action against the Individual Defendants. Such demand
3 would be a futile and useless act because the Board is incapable of making an independent and
4 disinterested decision to institute and vigorously prosecute this action.

5 54. The Board currently consists of 9 directors: defendants Bennett, Brody, Campbell,
6 Cook, Dubinsky, Doerr, Hallman, Powell and director Stratton Sclavos. The following directors
7 are incapable of independently and disinterestedly considering a demand to commence and
8 vigorously prosecute this action:

9 a. Bennett, because he is directly interested in the improperly backdated stock
10 option grants complained of herein;

11 b. Brody, Hallman, Campbell, and Doerr, because as members of the
12 Compensation Committee they directly participated in and approved the improper backdating of
13 stock options, as alleged herein. Moreover, by colluding with the Officer Defendants and others,
14 as alleged herein, Brody, Hallman, Doerr, and Campbell have demonstrated that they are unable
15 or unwilling to act independently of the Officer Defendants;

16 c. Brody, Dubinsky, Hallman, and Powell, because as members of the Audit
17 Committee they directly participated in and approved the Company's violations of GAAP and
18 Section 162(m), as alleged herein. Moreover, by colluding with the Officer Defendants and
19 others, as alleged herein, Brody, Dubinsky, Hallman, and Powell have demonstrated that they are
20 unable or unwilling to act independently of the Officer Defendants;

21 d. Bennett, Brody, Campbell, Cook, Dubinsky, Hallman, Doerr, and Powell,
22 because as directors of the Company they directly participated in and approved the Company's
23 filing of false financial statements and other SEC filings, as alleged herein. Moreover, by
24 colluding with the Officer Defendants and others, as alleged herein, Bennett, Brody, Campbell,
25 Cook, Dubinsky, Doerr, Hallman, and Powell have demonstrated that they are unable or unwilling
26 to act independently of the Officer Defendants.

AGAINST THE INDIVIDUAL DEFENDANTS
FOR BREACH OF FIDUCIARY DUTY

57. As alleged in detail herein, each of the Individual Defendants had a fiduciary duty to refrain from unduly benefiting themselves and other Company insiders at the expense of the Company.

a. colluding with the Compensation Committee Defendants to backdate stock option grants;

b. colluding with the Audit Committee Defendants to violate GAAP and Section 162(m);

c. colluding with the other Individual Defendants to produce and disseminate to Intuit shareholders and the market false financial statements that improperly recorded and accounted for the backdated option grants and concealed the improper backdating of stock options; and

d. colluding with the other Individual Defendants to file false proxy statements and false Form 4 filings in order to conceal the improper backdating of stock options.

59. The Officer Defendants' foregoing misconduct was not, and could not have been, an exercise of good faith business judgment. Rather, it was intended to, and did, unduly benefit the Officer Defendants at the expense of the Company.

60. As alleged in detail herein, the Compensation Committee Defendants breached

1 their fiduciary duties by:

2 a. colluding with the Officer Defendants to backdate stock option grants;

3 b. colluding with the Officer Defendants and Audit Committee Defendants to
4 violate GAAP and Section 162(m);

5 c. colluding with the other Individual Defendants to produce and disseminate
6 to Intuit shareholders and the market false financial statements that improperly recorded and
7 accounted for the backdated option grants and concealed the improper backdating of stock
8 options; and

9 d. colluding with the other Individual Defendants to file false proxy
10 statements and false Form 4 filings in order to conceal the improper backdating of stock options.

11 61. The Compensation Committee Defendants' foregoing misconduct was not, and
12 could not have been, an exercise of good faith business judgment. Rather, it was intended to, and
13 did, unduly benefit the Officer Defendants at the expense of the Company.

14 62. As alleged in detail herein, the Audit Committee Defendants breached their
15 fiduciary duties by:

16 a. colluding with the Officer Defendants to violate GAAP and Section
17 162(m);

18 b. colluding with the other Individual Defendants to produce and disseminate
19 to Intuit shareholders and the market false financial statements that improperly recorded and
20 accounted for the backdated option grants and concealed the improper backdating of stock
21 options; and

22 c. colluding with the other Individual Defendants to file false proxy
23 statements and false Form 4 filings in order to conceal the improper backdating of stock options.

24 63. The Audit Committee Defendants' foregoing misconduct was not, and could not
25 have been, an exercise of good faith business judgment. Rather, it was intended to, and did,
26 unduly benefit the Officer Defendants at the expense of the Company.

64. As a direct and proximate result of the Individual Defendants' foregoing breaches of fiduciary duties, the Company has sustained millions of dollars in damages, including, but not limited to, the additional compensation expenses and tax liabilities the Company was required to incur and loss of funds paid to the Company upon exercise of options.

COUNT II

**AGAINST THE INDIVIDUAL DEFENDANTS
FOR VIOLATION OF SECTION 10(b) OF THE SECURITIES
EXCHANGE ACT AND RULE 10b-5 PROMULGATED THEREUNDER**

65. Plaintiff incorporates by reference all preceding and subsequent paragraphs as if set forth fully herein.

66. Each of the Individual Defendants intentionally or recklessly employed devices, schemes, and artifices to defraud and engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the Company.

67. The Company relied upon the Individual Defendants' fraud in granting the Officer Defendants options to purchase shares of Intuit common stock.

68. As a direct and proximate result of the Individual Defendants' fraud the Company has sustained millions of dollars in damages, including, but not limited to, the additional compensation expenses and tax liabilities the Company was required to incur and loss of funds paid to the Company upon exercise of options.

COUNT III

**AGAINST THE OFFICER DEFENDANTS
FOR UNJUST ENRICHMENT**

69. Plaintiff incorporates by reference all preceding and subsequent paragraphs as if set forth fully herein.

70. The Officer Defendants were unjustly enriched by their receipt and retention of backdated stock option grants, as alleged herein, and it would be unconscionable to allow them to retain the benefits thereof.

1 71. To remedy the Officer Defendants' unjust enrichment, the Court should order them
2 to disgorge to the Company all of the backdated stock options they received, including the
3 proceeds of any such options that have been exercised, sold, pledged, or otherwise monetized.

4 WHEREFORE, Plaintiff demands judgment as follows:

5 A. Against all of the Individual Defendants and in favor of the Company for the
6 amount of damages sustained by the Company as a result of the Individual Defendants' breaches
7 of fiduciary duties and statutory violations;

8 B. Ordering the Officer Defendants to disgorge to the Company all of the backdated
9 stock options they received, including the proceeds of any such options that have been exercised,
10 sold, pledged, or otherwise monetized;

11 C. Granting appropriate equitable relief to remedy Defendants' breaches of fiduciary
12 duties;

13 D. Awarding to plaintiff the costs and disbursements of the action, including
14 reasonable attorneys' fees, accountants' and experts' fees, costs, and expenses; and

15 E. Granting such other and further relief as the Court deems just and proper.


16 **JURY TRIAL DEMANDED**

17 Plaintiff demands a trial by jury.

18 Dated: June 20, 2006

Respectfully submitted,

19 **GREEN WELLING LLP**

20 
21 Robert Green

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26 *Liaison Counsel for Plaintiff*

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Counsel for Don Gallardo

VERIFICATION

I, **Don Joseph Gallardo** hereby verify that I have reviewed the Complaint and authorized its filing and that the foregoing is true and correct to the best of my knowledge, information and belief.

DATE: 6-19-2006


DON JOSEPH GALLARDO